The first Memorandum of Understanding (MOU) under the RBH initiative was signed in Dehradun (Uttaranchal) for setting up a rural business hub for processing fruit grown in the Ramgarh block and few other Blocks of Nainital District. Thereafter, two more MOUs have been finalized and signed in Haryana to set up RBHs for Jatropha plantation and production of bio-diesel in the Faridabad and Mewat districts of the State. Another Jatropha based initiative has been taken by the CII & Govt. of Rajasthan in district Dungarpur. Subsequent to an advertisement in certain leading newspapers, over 150 responses have been received from RBIs and individuals. A conclave of all the stakeholders involved in the development of bio-diesel from Jatropha through Panchayats under the RBH initiative of the Ministry was held on 5 November 2005, which was attended by 100 PRI representatives from all over the country at which it was decided to set up a joint committee of the Ministry of Panchayati Raj and Petroleum and Natural Gas and the Planning Commission along with the stakeholders including Scientists and other corporates, on the development of Bio-Fuels plantations through Panchayats under the RBH initiative.

The RBH initiative is also scheduled to be discussed in the next meeting of the Council of State Ministers on Panchayati Raj at Bhubneshwar.

A proposal with a product list has been received from the Government of Orissa on 9.12.2005, which is being processed.

Strengthen OF PRIs

2212. SHRI N.R. GOVINDARAJAR: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether Government are taking any steps to strengthen the Panchayati Raj Institutions in order to bring economic reforms in rural areas;

(b) if so, the details thereof; and

(c) what are the various steps Government propose to give more role to Panchayati Raj Institutions?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) to (c) Article 243G of the Constitution provides for endowment by State legislatures of powers and authority to Panchayats at the Village, Intermediate and District levels to function as institutions of self-government for (i) making plans for economic development and social justice for their respective areas, and (ii) implementing programmes of economic development and social justice in their respective areas, in respect of those matters devolved to them as the State may, by law, specify, including those listed in the Eleventh Schedule of the Constitution, subject to such conditions as they may specify. As the Constitution provides that it is legislatures of States that will endow the Panchayati Raj Institutions with powers and authority, States have devolved powers and responsibilities to the Panchayats in varying measures. In order to evolve a national consensus on the measures to be taken to strengthen Panchayati Raj and ensure that Panchayati Raj Institutions function as institutions of self-government as envisaged in Part IX of the Constitution, the Ministry of Panchayati Raj convened Seven Round Tables of State Ministers of Panchayati Raj between July, 2004 and December, 2004. At the Round Tables, about 150 points for action, covering 18 dimensions of Panchayati Raj, were formulated by consensus. *Inter-alia*, these cover points of action pertaining to both the Centre and the States, relating to the effective devolution of functions, funds and functionaries to Panchayats.

A Council of State Ministers of Panchayati Raj under the Chairmanship of the Union Minister for Panchayati Raj has been constituted to review the implementation of the recommendations. The first meeting of the Council was held on 5th - 6th August, 2005 at Kochi, Kerala. A Committee of Chief Secretaries of States and State Panchayati Raj Secretaries has also been constituted under the Chairmanship of the Union Secretary (Panchayati Raj) to monitor the progress on the implementation of the 150 recommendations of the Seven Round Tables and the decisions of the Council of States Ministers of Panchayati Raj. Four review meetings of the Committee have so far been held in April, 2005, June, 2005, September, 2005, and November 2005.

With a view to interacting with Panchayats and carrying out a review with the authorities concerned of the progress in implementing the points for action mutually agreed to in the Round Tables, a process of visiting the States and UTs at the level of Union Minister for Panchayati Raj has

been initiated. Eight States have been covered so far. These include Karnataka, West Bengal, Uttaranchal, Haryana, Chhattisgarh, Orissa, Arunachal Pradesh and Rajasthan. Each visit is concluded with a Statement of conclusions jointly signed with the Chief Minister of the State concerned, laying out the points of action on which the State would move to operationalise the recommendations of the Round Tables.

An exercise is underway to review different statutes with a view to harmonise them with the provisions of Part IX of the Constitution. Similarly, the guidelines of Centrally Sponsored Schemes are being reviewed to ensure the centrality of Panchayats in planning and implementation. As regards new Centrally Sponsored Schemes, wherever relevant, it is proposed to provide for a central role for Panchayats. Thus, for example, the National Rural Employment Guarantee Act provides for the Panchayats to be the "principal authorities" for the planning and implementation of schemes under the Act. Steps are also being taken to fill in critical gaps in infrastructure and capacity so that Panchayats can effectively fulfill their constitutional role.

Establishment of two out of three tier Panchayat system

2213. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) whether there is a demand from certain smaller States for a Constitutional amendment to permit them the option of establishing any two out of three tier Panchayat system instead of the present mandatory Constitutional provision which gives option to the States only as regards the middle tier;

(b) if so, the names of the States who have formally or informally demanded for the amendment; and

(c) the reaction of Government thereto?

THE MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): (a) to (c) No, Sir. The Constitution (Article 243B) provides for a two tier system (district and village level) in States having a population not exceeding 20 lakhs. There is no recent demand from any of the